

**AMENDMENT TO H.R. 853, AS REPORTED  
OFFERED BY MR. RYAN OF WISCONSIN**

At the end, add the following new title:

1     **TITLE VII—BUDGETING IN AN**  
2             **ERA OF SURPLUSES**

3     **SEC. 701. PAYGO REQUIREMENTS AND THE ON-BUDGET**  
4             **SURPLUS.**

5         (a) Section 252(a) of the Balanced Budget and  
6     Emergency Deficit Control Act of 1985 is amended to  
7     read as follows:

8         “(a) PURPOSE.—The purpose of this section is to  
9     trigger an offsetting sequestration in the amount by which  
10    any excess of decreases in receipts and increases in direct  
11    spending over increases in receipts and decreases in direct  
12    spending, caused by all direct spending and receipts legis-  
13    lation enacted prior to October 1, 2002, exceeds estimates  
14    of the on-budget surplus.”.

15        (b) TIMING AND CALCULATION OF SEQUESTRA-  
16    TION.—Section 252(b) of the Balanced Budget and Emer-  
17    gency Deficit Control Act of 1985 is amended to read as  
18    follows:

19        “(b) SEQUESTRATION.—

20            “(1) TIMING.—Not later than 15 calendar days  
21    after the date Congress adjourns to end a session

1 and on the same day as a sequestration (if any)  
2 under section 251, there shall be a sequestration to  
3 offset an amount equal to—

4 “(A) any excess of decreases in receipts  
5 and increases in direct spending over increases  
6 in receipts and decreases in direct spending for  
7 legislation enacted prior to October 1, 2002;  
8 minus

9 “(B) the estimated on-budget surplus  
10 (which shall not be less than zero),  
11 as calculated under paragraph (2).

12 “(2) CALCULATION OF SEQUESTRATION.—OMB  
13 shall calculate the amount of the sequestration by  
14 adding—

15 “(A) all OMB estimates for the budget  
16 year of direct spending and receipts legislation  
17 transmitted under subsection (d) for legislation  
18 enacted prior to October 1, 2002;

19 “(B) the estimated amount of savings in  
20 direct spending programs applicable to the  
21 budget year resulting from the prior year’s se-  
22 questration under this section, if any, as pub-  
23 lished in OMB’s final sequestration report for  
24 that prior year; and

1           “(C) all OMB estimates for the current  
2           year that were not reflected in the final OMB  
3           sequestration report for that year; and  
4           then by subtracting from such sum the OMB esti-  
5           mate for the budget year of the on-budget surplus  
6           (if any) as set forth in the OMB final sequestration  
7           report increased by the amount of budgetary re-  
8           sources cancelled in any such program, project, or  
9           activity resulting from a sequestration for the budg-  
10          et year on the same day under section 251 as pub-  
11          lished in OMB’s final sequestration report.”.

12          (c) PREVIEW REPORTS.—Section 254(c)(3) of the  
13          Balanced Budget and Emergency Deficit Control Act of  
14          1985 is amended by redesignating subparagraph (C) as  
15          subparagraph (D) and by adding after subparagraph (B)  
16          the following new subparagraph:

17                 “(C)(i) MANDATORY.—In projecting the  
18                 on-budget surplus (if any) for the budget year,  
19                 direct spending and receipts shall be calculated  
20                 consistent with the assumptions under section  
21                 257(b) but shall exclude all estimates of direct  
22                 spending and receipts legislation for such year  
23                 enacted after the date of enactment of this sub-  
24                 paragraph (as estimated by OMB when such  
25                 legislation was originally enacted).

1           “(ii) DISCRETIONARY.—Except as provided  
2           by the preceding sentence, the following as-  
3           sumptions shall apply to the calculation of such  
4           estimated surplus:

5                   “(I) For programs, projects, and ac-  
6                   tivities for which a regular appropriation  
7                   Act or a joint resolution (other than pursu-  
8                   ant to section 1311 of title 31, United  
9                   States Code) continuing appropriations  
10                  through the end of the budget year is en-  
11                  acted, budgetary resources other than un-  
12                  obligated balances shall be at the level pro-  
13                  vided by that Act with the following ad-  
14                  justments:

15                           “(aa) Include amounts of budget  
16                           authority provided and rescinded for  
17                           such year in any supplemental or spe-  
18                           cial appropriation Act or rescission  
19                           bill that is enacted into law.

20                           “(bb) Reduce the level by the  
21                           amount of budgetary resources can-  
22                           celed in any such program, project, or  
23                           activity by a sequestration under sec-  
24                           tion 251 as published in OMB’s final  
25                           sequestration report for such year.

1 Substantive changes to or restrictions on  
2 entitlement law or other mandatory spend-  
3 ing law in an appropriation Act shall be  
4 counted in determining the level of direct  
5 spending and receipts for purposes of cal-  
6 culating the on-budget surplus under this  
7 section.

8 “(II) For programs, projects, and ac-  
9 tivities for which a regular appropriation  
10 Act or a joint resolution (other than pursu-  
11 ant to section 1311 of title 31, United  
12 States Code) continuing appropriations  
13 through the end of the budget year is not  
14 enacted, budgetary resources other than  
15 unobligated balances shall be at the level  
16 provided for the current year in regular  
17 appropriation Acts or a joint resolution  
18 (other than pursuant to section 1311 of  
19 title 31, United States Code) continuing  
20 appropriations through the end of the cur-  
21 rent year with the following adjustments:

22 “(aa) Include amounts of budget  
23 authority provided and rescinded for  
24 such year in any supplemental or spe-

1                   cial appropriation Act or rescission  
2                   bill that is enacted into law.

3                   “(bb) Reduce the level by the  
4                   amount of budgetary resources can-  
5                   celed in any such program, project, or  
6                   activity by a sequestration under sec-  
7                   tion 251 as published in OMB’s final  
8                   sequestration report for such year.

9                   Substantive changes to or restrictions on  
10                  entitlement law or other mandatory spend-  
11                  ing law in an appropriation Act shall be  
12                  counted in determining the level of direct  
13                  spending and receipts for purposes of cal-  
14                  culating the on-budget surplus under this  
15                  section. After making such adjustments,  
16                  further adjust such amount using the as-  
17                  sumptions set forth in section 257(c) (1)–  
18                  (5).”.

19                  (d) DEFINITION OF ON-BUDGET SURPLUS.—Section  
20                  250(c) of the Balanced Budget and Emergency Deficit  
21                  Control Act of 1985 is amended by adding at the end the  
22                  following new paragraph:

23                  “(20) The term ‘on-budget surplus’ means, with  
24                  respect to a fiscal year, the amount by which re-  
25                  ceipts exceed outlays for all spending and receipt ac-

1 counts of the United States Government that are  
2 designated as on-budget. Such term does not include  
3 outlays and receipts of the Federal Old-Age and  
4 Survivors Insurance Trust Fund, the Federal Dis-  
5 ability Insurance Trust Fund, or any other off-budg-  
6 et entity.”.

7 (e) EXPEDITED RECONCILIATION PROCESS.—Section  
8 258C of the Balanced Budget and Emergency Deficit  
9 Control Act of 1985 is amended as follows:

10 (1) The side heading of subsection (a) is  
11 amended by inserting “OR IN THE HOUSE OF REP-  
12 RESENTATIVES” after “SENATE”.

13 (2) In paragraphs (1), (2), (3), and (4) of sub-  
14 section (a), insert “or House” after “Senate” each  
15 place it appears.

16 (3) In subsection (a)(7), strike “For” and in-  
17 sert “In the Senate, for”.

18 (4) In subsection (b)(1), insert “or House”  
19 after “Senate”.

20 (5) In the side heading of subsection (b)(4), in-  
21 sert “OTHER” after “THE”.

22 (6) In subsection (b)(4), strike “in the Senate  
23 from the House” and insert “in the Senate or House  
24 of Representatives from the other House”, strike  
25 “Senate” the second place it appears and insert

- 1 “Senate or House of Representatives, as the case
- 2 may be,” and strike “Senate” the third place it ap-
- 3 pears and insert “in the applicable House”.